

Attachment D - Financial Information

See Attached

COMPILED FINANCIAL STATEMENTS--INCOME TAX BASIS
AND OTHER FINANCIAL INFORMATION

TELEFYNE, INC.

FEBRUARY 29, 2000

TELEFYNE, INC.
STATEMENTS OF ASSETS, LIABILITIES, AND EQUITY (INCOME TAX BASIS)
FEBRUARY 29, 2000

ASSETS**CURRENT ASSETS**

Cash-Nations Bank	\$ 642
Cash-Amsouth Bank	506,868
Cash-Amsouth	57
Cash-SouthTrust Bank	326
Amsouth-Money Market	321,561
Cash-Amsouth CD	127,500
Accounts receivable	715,761
Inventory-Phone Cards	20,448
Inventory-Long Distance	1,500
Advances--officers	16,309
Prepaid expenses	<u>14,441</u>
TOTAL CURRENT ASSETS	1,725,413

OTHER ASSETS

Security Deposit	10,150
	<u>10,150</u>

PROPERTY AND EQUIPMENT

Furniture & fixtures	1,353
Equipment	357,288
	<u>358,641</u>
Less accumulated depreciation	<u>94,692</u>
	<u>263,949</u>
	<u>\$ 1,999,512</u>

TELEFYNE, INC.

STATEMENTS OF ASSETS, LIABILITIES, AND EQUITY (INCOME TAX BASIS)

FEBRUARY 29, 2000

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Short-term borrowings	\$	27,982
Accounts payable		86,208
Accounts payable--Amex		11,325
Payroll taxes & withholdings		8,366
Accrued liabilities		12,204
Current portion L/T debt		<u>95,605</u>
TOTAL CURRENT LIABILITIES		241,690

OTHER LIABILITIES

Note payable--Shareholders	44,137
Note payable--SouthTrust Bank	77,500
Note payable--Dell	2,389
Note payable--Union Planters	13,842
Less Current portion L/T debt	<u>(95,605)</u>
	42,263

SHAREHOLDERS' EQUITY

Common Stock	1,000
par value \$1.00 per share, authorized 1,000 shares, issued and outstanding 1,000 shares	
Paid in Capital	49,000
Retained earnings	<u>1,665,559</u>
	<u>1,715,559</u>
	<u>\$ 1,999,512</u>

TELEFYNE, INC.

STATEMENT OF REVENUES AND EXPENSES (INCOME TAX BASIS)
PERIOD ENDED FEBRUARY 29, 2000

	1 Month Ended		2 Months Ended	
	Feb. 29, 2000	Pct	Feb. 29, 2000	Pct
SALES	\$ 1,380,016	100.00	\$ 2,033,594	100.00
COST OF SALES	<u>716,526</u>	<u>51.92</u>	<u>1,099,277</u>	<u>54.06</u>
GROSS PROFIT	663,490	48.08	934,317	45.94
EXPENSES				
Salaries	23,358	1.69	46,250	2.27
Advertising	2,042	0.15	3,236	0.16
Auto and truck expense	0	0.00	54	0.00
Bank charges	953	0.07	2,452	0.12
Commissions	1,944	0.14	2,395	0.12
Depreciation	8,849	0.64	17,182	0.84
Dues and subscriptions	972	0.07	972	0.05
Entertainment	390	0.03	491	0.02
Engineering expense	9,954	0.72	16,901	0.83
Equipment rental	7,247	0.53	14,765	0.73
Gifts and flowers	64	0.00	64	0.00
Insurance	844	0.06	1,689	0.08
Interest	6,173	0.45	6,296	0.31
Legal and accounting	60	0.00	730	0.04
Meals	369	0.03	595	0.03
Marketing Expense	1,186	0.09	1,186	0.06
Office supplies	561	0.04	714	0.04
Postage and shipping	926	0.07	2,433	0.12
Refund Customer	0	0.00	50	0.00
Rent	1,381	0.10	2,530	0.12
Repair and maintenance	0	0.00	80	0.00
Taxes	14,850	1.08	34,281	1.69
Telephone	5,545	0.40	11,178	0.55
Trade Shows	2,850	0.21	2,850	0.14
Travel	1,050	0.08	1,633	0.08
Utilities	176	0.01	176	0.01
Total other expenses	<u>91,744</u>	<u>6.65</u>	<u>171,183</u>	<u>8.42</u>
	571,746	41.43	763,134	37.53
Total other income--net	<u>1,244</u>	<u>0.09</u>	<u>2,559</u>	<u>0.13</u>
NET INCOME (LOSS)	<u>\$ 572,990</u>	<u>41.52</u>	<u>\$ 765,693</u>	<u>37.65</u>

TELEFYNE, INC.
STATEMENT OF RETAINED EARNINGS
TWO MONTHS ENDED FEBRUARY 29, 2000

Retained earnings beginning of year	\$	899,866
Current period income (loss)		765,693
Retained earnings two months ended Feb. 29, 2000	\$	<u>1,665,559</u>

See accountant's compilation report

TELEFYNE, INC.
STATEMENT OF CASH FLOWS--INCOME TAX BASIS
FOR THE TWO MONTHS ENDED FEBRUARY 29, 2000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 765,693
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	17,182
Changes in operating assets and liabilities:	
Increase in accounts receivable	(527,990)
Increase in inventories	(5,389)
Increase in prepaid expenses	(7,220)
Increase in accounts payable and accrued expenses	85,360
Total adjustments	<u>(438,058)</u>
Net cash provided by operating activities	327,635
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(31,023)
Net cash used in investing activities	<u>(31,023)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on borrowings	(16,867)
Net cash used in financing activities	<u>(16,867)</u>
Net increase in cash and cash equivalents	287,239
Cash and cash equivalents at beginning of year	<u>677,209</u>
Cash and cash equivalents at February 29, 2000	<u>\$ 964,448</u>

See accountant's compilation report